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Sam Brownback, Governor

**TESTIMONY BEFORE
HOUSE TRANSPORTATION AND PUBLIC SAFETY BUDGET
REGARDING HOUSE BILL 2137
RELATING TO THE VEHICLE MODERNIZATION SURCHARGE**

March 6, 2013

Mr. Chairman and Committee Members:

I am Kent Olson, Director of the Division of Fiscal and Asset Management for the Kansas Department of Transportation (KDOT). House Bill 2137 would reduce Transportation Works for Kansas (T-WORKS) revenue streams by \$12.4 million annually starting in FY 14.

One of KDOT's key roles is to advocate for the transportation needs of Kansans. Transportation is a very important component of economic development and job creation in Kansas. This is a top priority for the administration and as such, is included in the Governor's Roadmap for Kansas.

Although this committee has worked very hard at restoring the State Highway Fund (SHF) dollars and reducing transfers it is still important that revenue streams are in-tact in order to complete the T-WORKS projects that Kansas communities are depending on. The committee has identified approximately \$54 million in restored funding to the SHF and this legislation would reduce the revenues by approximately \$86.8 million over the life of T-WORKS. With other proposals this session that affect T-WORKS revenue streams, KDOT is very concerned about the detrimental impact that this proposal will have to the delivery of the T-WORKS program.

HB 2137 would reduce KDOT's anticipated revenues by \$86.8 million over the course of the T-WORKS program. The agency would be forced to issue additional debt, reduce expenditures, or a combination of both to account for this reduction to revenues and still deliver the T-WORKS projects.

Thank you for allowing me to speak to HB 2137. I would be happy to stand for questions at the appropriate time.

HOUSE TRANSPORTATION
AND PUBLIC SAFETY BUDGET
DATE: MARCH 6, 2013
ATTACHMENT# 2